

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (hereinafter "AGREEMENT") is made as of the 1st day of July, 2012, by and between the Borough of Naugatuck (hereinafter the "Borough"), a municipal corporation organized under the laws of the State of Connecticut and James Stewart (hereinafter "Stewart").

WHEREAS, the Borough desires to employ Stewart as the Director of Public Works and Stewart desires to accept such employment, upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. EMPLOYMENT

The Borough hereby employs Stewart as the Director of Public Works and Stewart accepts such employment pursuant to the terms and conditions set forth in this Agreement. Stewart shall not be required to become a resident of the Borough as a condition of employment.

2. TERM OF AGREEMENT/EMPLOYMENT

This Agreement shall commence on July 1, 2012 and expire on June 30, 2015. The parties agree that in the event that either the Borough or Stewart do not agree to either extend this Agreement beyond June 30, 2015 or do not negotiate a successor agreement, Stewart's employment with the Borough shall terminate effective on June 30, 2015.

3. DUTIES

Stewart shall perform the customary duties associated with the position of Director of Public Works as described in the most current job description, (attached

hereto). Stewart shall also perform other related duties, at such times and places and in such manner as the Mayor of the Borough shall reasonably require and direct.

Accordingly, the Borough and Stewart agree that the job description is not an exhaustive enumeration of the duties and responsibilities of the Director of Public Works. In the performance of his duties, Stewart shall report directly to the Mayor of the Borough.

Stewart shall work a thirty-five hour work week, seven (7) hour per day - Monday through Friday, subject to vacation time and other forms of leave set forth herein.

Stewart may be required to perform his duties after the normal business day and/or weekends and holidays without additional compensation. It is understood that attendance at Water Pollution Control Commission is mandatory; attendance at Planning Commission, Zoning Commission, Inland Commission and Public Works Commission, is on an as required basis. For mandatory meetings, Stewart will serve as a technical expert, providing reports regularly, as well as Board of Mayor and Burgesses meetings, and all relevant meetings necessary to perform the job effectively.

4. COMPENSATION AND BENEFITS:

For services rendered under this Agreement, unless otherwise specified, the Borough shall provide the following for Stewart:

The base salary for Stewart during the life of this Agreement shall be as follows:

Effective July 1, 2012:	\$96,907.14
Effective July 1, 2013:	\$98,845.28
Effective July 1, 2014:	\$100,822.18

- Effective July 1st on an annual basis, twenty (20) days of paid vacation. On July 1st following Stewart's fifteen (15) year

anniversary as an employee of the Borough, he shall be eligible for twenty-five (25) vacation days on an annual basis. Such vacation days shall not be cumulative. Any vacation days not used in a contract year or carried to the contract year as noted below shall be paid to Stewart within two (2) weeks of the commencement of the ensuing contract year. In addition, Stewart may carry over seven (7) days of vacation to be used in the following year, with the written approval of the Mayor.

- For the July 1, 2012 through June 30, 2013 and July 1, 2013 through June 30, 2014 years, fifteen (15) sick days annually (three (3) of which may be used as personal days), cumulative to ninety (90) days. Commencing with the July 1, 2014 through June 30, 2015 contract year, ten (10) sick days annually (three (3) of which may be used as personal days), cumulative to ninety (90) days.
- The Borough will reimburse Stewart for study materials, registration and the cost of the test to obtain LEED credentials to a maximum cost of \$1,000, upon submission of receipts for such costs.
- The Borough will reimburse Stewart for required continuing education in order to maintain LEED credentials. Such reimbursement shall be a maximum of \$300 on an annual basis upon the submission of a receipt for such costs.

- Term Life Insurance equal to two times (2x) Stewart’s annual base salary, adjusted annually in accordance with Stewart’s base salary.
- Health and dental benefit plans and premium share contributions in accordance with the following:
 - Stewart shall have a choice of either:
 - A Health Benefit Plan with a drug and vision rider (Option 1); or
 - An HDHP Plan with a vision rider (Option 2).

Effective July 1, 2012 premium cost-share contributions toward the annual premium of the aforementioned plans in the following amounts:

	<u>July 1, 2012</u>	<u>July 1, 2013</u>	<u>July 1, 2014</u>
Option 1	8%	10%	11.5%
	9% (Jan. 1, 2013)		

	<u>Jan. 1, 2013</u>	<u>Jan. 1, 2014</u>	<u>Jan. 1, 2015</u>
Option 2	2%	4%	6%

Option 1:

Health Benefit Plan co-pays:

	2012-2013	2013-2014	2014-2015
Office	\$20	\$25	\$25
Inpatient	\$150	\$200	\$200
Outpatient	\$150	\$150	\$150
ER	\$100	\$100	\$100
Urgent Care	\$25	\$25	\$25
Prescription:	\$5/\$20/\$35	\$5/\$25/\$40	\$5/\$25/\$40
Deductible	\$1,000/\$2,000/\$2,500		
	70%/30%		

Option 2:

HDHP: Effective January 1, 2013: \$2,000/\$4,000 deductible
100% in network/70% out of network after deductible
\$2,000/\$4,000 in network/\$4,000/\$8,000 out of network

If Stewart elects Option 2, in year 1 (January 1, 2013), the Borough agrees to contribute seventy-five percent (75%) of the deductible; in year two (January 1, 2014), the Borough agrees to contribute sixty-five percent (65%) of the deductible and in year 3 (January 1, 2015), the Borough agrees to contribute fifty percent (50%) of the deductible.

The parties acknowledge that the Borough's contribution toward funding the deductible is not an element of the underlying plan, but rather relates to the manner in which the deductible shall be funded for active employees. The Borough shall have no obligation to fund any portion of the plan for retirees or other individuals upon their separation from employment.

Stewart will be responsible for opening the HDHP account and for any bank fees associated with maintaining the HDHP account. The Borough will make provisions for a before tax direct deposit payroll deduction for employees who elect the HDHP plan.

- Participation in the Borough's defined benefit pension plan or some other pension plan that may be mutually agreed upon, in writing, by the Borough and Stewart at a later date.
- At retirement or death, Stewart shall be paid for all unused sick days not to exceed forty-five (45) days.
- A Borough owned or leased vehicle for Stewart to use in fulfilling his duties and responsibilities as Director of Public Works.
- Such other benefits as may be provided under the Borough's Personnel Guidelines at the time of the execution of this Agreement. In the event that any provision of this Agreement

conflicts with or contradicts said Personnel Guidelines, this Agreement shall govern.

5. EVALUATION:

On or before July 1st of each contract year, the Mayor will evaluate Stewart's performance. The evaluation will be based on the Core Competencies and Job Specific Competencies outlined within the Borough Performance Appraisal System for Non-Union and Non-elected Personnel.

6. TERMINATION:

(a) Termination for Cause. In the event Stewart is discharged for "Cause" (defined below) by the Borough, such termination shall be effective immediately. Notice of such termination shall be provided to Stewart in writing by the Borough.

"Cause" shall be defined as: (i) any act or omission that constitutes a breach by Stewart of any of his duties and responsibilities as Director of Public Works for the Borough; (ii) a performance evaluation that is deemed unsatisfactory. Unsatisfactory is defined as a performance evaluation wherein Stewart receives unsatisfactory or below in a majority of evaluated competency areas. The Borough and Stewart agree that in the event Stewart either receives unsatisfactory or below in any single major essential job function or acts in a negligent manner, such action, standing alone, constitutes cause; (iii) the continued and repeated failure or refusal of Stewart to perform the duties required of him as an employee of the Borough; (iv) any violation by Stewart of any law or regulation or Stewart's conviction of a felony, or any perpetration by Stewart of a common law fraud; or (v) any other misconduct by Stewart which is injurious to the financial condition or

reputation of, or is otherwise injurious to the Borough. If Stewart is terminated for cause by the Borough, Stewart shall not receive any unused vacation time.

(b) Termination by mutual agreement of the parties. Stewart and the Borough agree that this Agreement can be terminated at anytime during the term of the Agreement by mutual written agreement between Stewart and the Mayor of the Borough.

7. INVALID PROVISION:

The invalidity or unenforceability of any particular provision of this Agreement shall not effect the other provisions hereof, and the Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

8. SURVIVORSHIP:

Any obligation of this Agreement which, by its nature, must be performed following termination of this Agreement shall be deemed to survive such termination.

9. RESOLUTION OF DISPUTES:

Any differences, claims, or matters in dispute arising between the Borough and Stewart out of, or connected with, this Agreement shall be submitted by Stewart to arbitration with the American Arbitration Association.

10. ATTORNEY FEES:

In the event that any action is filed in relation to this Agreement, the parties agree that neither party shall be responsible for the payment of the other parties' attorney's fees.

11. CONSTRUCTION:

This Agreement shall be construed according to the laws of the State of Connecticut.

12. ENTIRE AGREEMENT:

This Agreement constitutes the entire Agreement between the Borough and Stewart with respect to the subject matter specifically referenced herein. No modification or amendment of this Agreement shall be binding unless said modification or amendment specifically references this Agreement and is in writing and signed by the parties hereto.

13. PARAGRAPH HEADINGS:

The titles to the paragraphs in this Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

15th, May, 2013.

WITNESS:


SALLY CYR

WITNESS:

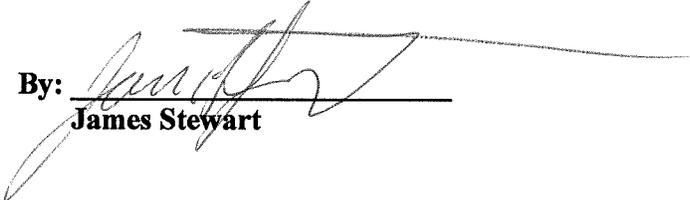

SALLY CYR

BOROUGH OF NAUGATUCK

By:


Robert A. Mezzo, Its Mayor

By:


James Stewart